

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2378 - HB 2456**

April 16, 2018

**SUMMARY OF BILL:** Requires the Comptroller of the Treasury (COT) to annually conduct random audits of ten persons or entities receiving hotel occupancy tax proceeds. Requires recipients of hotel occupancy tax proceeds to pay costs associated with such audits from proceeds of such taxes.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**Exceeds \$75,100/Recurring/Comptroller of the Treasury**

**Increase State Expenditures – \$2,500/One-Time/Comptroller of the Treasury**

**\$72,600/Recurring/Comptroller of the Treasury**

**Assumptions:**

- Based on information provided by the COT, one Auditor 3 position will be required to complete such audits.
- The one-time increase in state expenditures to the COT associated with the Auditor 3 position is estimated to be \$2,500.
- The recurring increase in state expenditures to the COT associated with the position is estimated to be \$72,595 (\$51,540 salary + \$15,805 benefits + \$5,000 travel + \$250 supplies).
- Private entities receiving proceeds from hotel occupancy taxes will be subject to random audit by the COT and will be required to reimburse the COT for the cost of such audit.
- The corresponding recurring increase in state revenue to the COT from audited entities paying the cost of audits from tax proceeds is reasonably estimated to exceed \$75,100.

**SB 2378 - HB 2456**

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj